

DELSAN TRANSPORT LINES, INC., PETITIONER, VS. COURT OF APPEALS AND AMERICAN HOME ASSURANCE COMPANY, RESPONDENTS.

G.R. No. 112288. February 20, 1997

Ponente: MENDOZA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-112288/>

MENDOZA, J.:

The matter of execution of judgment, oftentimes called the fruit of litigation, is at issue in this case. The facts are as follows:

On December 23, 1980, private respondent American Home Assurance Company filed an action for sum of money against petitioner Delsan Transport Lines in the Regional Trial Court of Pasig. The case was docketed as Civil Case No. 39720 and eventually assigned to Branch 160 of the court.

On July 22, 1991, the RTC rendered a decision^[1] ordering petitioner to pay private respondent the amount of P1,180,115.77 with legal interest from the time of filing of the complaint until fully paid, attorney's fees equivalent to 20% of the principal claim, and costs.

Petitioner received a copy of the decision on August 21, 1991. On September 9, 1991, through its counsel Atty. Noel L. Montilla of the Montilla Law Office, petitioner filed a notice of appeal. On July 13, 1992, however, petitioner moved for the dismissal of its appeal on the ground that the judgment in Civil Case No. 39720 had already been fully satisfied. Attached to its motion was a pleading denominated as "Satisfaction of Judgment" dated August 26, 1991.^[2] The pleading, purporting to have been filed with the RTC, was signed by Atty. Noel L. Montilla on behalf of petitioner and by Atty. Manuel N. Camacho of Camacho and Associates on behalf of private respondent. It stated that "on August 22, 1991, the aforementioned judgment [in Civil Case No. 39720] was duly satisfied, the debtor [petitioner] having paid the entire amount adjudged therein against him."

Acting on petitioner's motion, the Court of Appeals, in its resolution of July 30, 1992, dismissed the appeal. On March 22, 1993, however, private respondent through a new counsel, filed in the RTC a motion for the execution of the judgment in its favor. It alleged that contrary to what was stated in the "Satisfaction of Judgment," no money had actually been remitted to it and that unless petitioner and its counsel could show proof of payment of the judgment and name the person to whom the amount had been paid, it was entitled to the execution of the judgment which had long become final and executory.

Petitioner opposed the motion for execution.

On May 26, 1993^[3], the RTC granted private respondent's motion and ordered the issuance of a writ of execution. The RTC held that, as the judgment had become final and executory, execution had become a matter of right. The court held that it was incumbent on petitioner to prove that it had already paid the judgment, but petitioner failed to do so.

Petitioner through Atty. Patricia Angeles R. Cataquiz of the Montilla Law Office filed a petition for certiorari

with prayer for preliminary injunction in the Court of Appeals, docketed as CA-G.R. SP No. 31256. Atty. Cataquiz alleged that Atty. Noel Montilla filed an appeal unaware that payment had already been made to private respondent and that under Rule 131, §3(p) the presumption was that the "Satisfaction of Judgment" was regular.

In its comment, private respondent claimed that petitioner's notice of appeal from the RTC decision was in fact filed late; that it was improbable that Atty. Montilla, who had allegedly signed the satisfaction of judgment, did not know about it and therefore filed a notice of appeal; that petitioner only moved to dismiss its appeal after more than ten months; and that the RTC denied that the "Satisfaction of Judgment" had ever been filed with it and indeed the copy of the document did not show that it had been filed with the RTC.

The Court of Appeals in its decision dated July 30, 1993[4] dismissed the petition for lack of merit and ordered petitioner and counsel to pay double costs. It further referred the case to the Provincial Prosecutor of Pasig, Rizal for possible criminal prosecution for Falsification of Document of petitioner and its counsel, Atty. Patricia Angeles R. Cataquiz of the Montilla Law Office, and others who might have participated in the execution of the spurious document. The Court of Appeals found:[5]

There is something terribly wrong with the instant petition as petitioner claims having fully satisfied the judgment of the respondent court in the enormous amount of more than P1.1 Million, and yet could not produce a small receipt, or even the check evidencing said payment to private respondent. Certainly, said huge amount of money deserved at least, a receipt especially from private respondent corporation. Yet, all the petitioner could show to the Court as proof of satisfaction of the judgment of respondent court in favor of the plaintiff is an uncertified xerox copy of a pleading entitled "Satisfaction of Judgment" dated August 26, 1991 allegedly signed by Atty. Manuel N. Camacho for plaintiff and Atty. Noel L. Montilla for defendant (p. 14, Rollo).

The above document purporting to be satisfaction of judgment appears on its face as filed with respondent court which court in its order dated June 10, 1993 repudiated said document as not being filed at all, in the said court (pp. 29-30, id.). Having realized that said document was never filed at all with respondent court, and that they could be held liable by this Court for misrepresentation, petitioner and counsel filed a manifestation with this Court on July 16, 1993, that indeed, they did not file said document with respondent court (pp. 19-20, id.). But still, petitioner and counsel insist that payment of the judgment obligation had been made by petitioner to private respondent on the basis of said document.

It is obvious that petitioner and counsel are simply lying as to their alleged payment of the obligation. As stated earlier, the document purporting to be "Satisfaction of Judgment" was never filed with respondent court. Private respondent likewise denied having signed said document, either by itself or counsel. Moreover, if it were true that said satisfaction of judgment was made by petitioner and counsel on August 26, 1991, said petitioner did not have to file their notice of appeal on September 9, 1991, or fourteen days later from the signing of the said document on satisfaction of judgment.

We do not believe petitioner's arguments that law firms as a matter of course, would immediately file their notice of appeal from adverse judgments to stay the running of the prescriptive period to appeal. We cannot agree with such a sweeping statement for We still believe that law firms file their notice of appeal taking into consideration the merits of their case. Besides, as correctly pointed out by private respondent both document on satisfaction of judgment, and the notice of appeal were signed by Atty. Noel L. Montilla for defendant, so that if defendant, herein petitioner, had paid the obligation, Atty. Montilla did not have to file his notice of appeal, two weeks later. Moreover, Atty. Montilla could not claim failure of memory of petitioner's alleged payment as an excuse of filing his notice of appeal considering the very big amount involved of more than P1.1 Million, in this case which amount could hardly slip from one's mind.

The fact that petitioner's appeal with the Court was dismissed upon motion of petitioner based on the alleged satisfaction of debt, is no evidence that it paid the judgment obligation. Petitioner as appellant moving for the

dismissal of its own appeal with the Court would simply get its desired dismissal being the appealing party. Besides, said appeal would have been dismissed just the same for having been filed out of time considering that the notice of appeal was filed by petitioner only on September 9, 1991, or nineteen days after it received copy of the decision on August 21, 1991.

Petitioner even challenges private respondent to prove that it (petitioner) has not paid the said judgment obligation, given its said document on satisfaction of judgment. Upon the other hand, all that petitioner has to do in this case is to present the receipt of payment, or even at least its check for more than P1.1 Million evidencing its payment. Petitioner cannot hide behind its erroneous reference to Sec. 1, Rule 39 of the Revised Rules of court on execution of final judgment. We are convinced that petitioner did not pay yet its judgment obligation to private respondent.

Even after the decision of the appellate court had been rendered, Atty. Cataquiz still filed on August 6, 1993 a reply in which she pointed out that private respondent did not question the fact that its former counsel, Atty. Camacho, had signed the "Satisfaction of Judgment." Atty. Cataquiz argued that in view of the parties' conflicting allegations, the trial court should have held a hearing for reception of the parties' evidence.

On August 19, 1993, petitioner moved for reconsideration of the Court of Appeals decision. Private respondent in turn filed an opposition.

On September 10, 1993 the Court of Appeals required Atty. Patricia Angeles R. Cataquiz personally to file a reply to private respondent's opposition to petitioner's motion for reconsideration, apparently in view of allegation in pleadings filed by her that the so-called "Satisfaction of Judgment" had been filed in the RTC when in fact it was not. In fact, as already noted, in its decision the appellate court said:

The above document purporting to be satisfaction of judgment appears on its face as filed with respondent court which court in its order dated June 10, 1993 repudiated said document as not being filed at all, in the said court (pp. 29-30, id.). Having realized that said document was never filed at all with respondent court, and that they could be held liable by this Court for misrepresentation, petitioner and counsel filed a manifestation with this Court on July 16, 1993, that indeed they did not file said document with respondent court (pp. 19-20, id.). But still, petitioner and counsel insist that payment of the judgment obligation had been made by petitioner to private respondent on the basis of said document.

It is obvious that petitioner and counsel are simply lying as to their alleged payment of the obligation. As stated earlier, the document purporting to be "Satisfaction of Judgment" was never filed with respondent court.

....

Finally, We wish to express alarm by which petitioner and counsel would like to hoodwink this Court into believing that petitioner's judgment obligation of more than P1.1 Million to private respondent had been paid as evidenced by a spurious document on satisfaction of judgment.

However, on October 1, 1993, Atty. Noel Montilla informed the court that Atty. Cataquiz had resigned from his law office on September 15, 1993. Instead he asked for an extension of ten days until October 11, 1993 to file the reply. Filed separately but at the same time was the manifestation of Atty. Cataquiz that she was indeed no longer connected with the Montilla Law Office.

The Court of Appeals therefore proceeded to render its resolution on October 15, 1993, in effect denying Atty. Montilla's request for additional time to file a reply and affirmed its decision for lack of "cogent ground or reason" advanced by petitioner. Meantime on October 8, 1993, Atty. Evangeline B. Cabigao entered an appearance in substitution of the Montilla Law Office and, on October 11, 1993, filed a reply to private respondent's opposition in which she asked the Court of Appeals to order Attys. Manuel Camacho and Noel Montilla to explain why the "Satisfaction of Judgment" had not been filed in the RTC and to tell the appellate court to whom the money paid

by petitioner had been given. Attached to the reply was an affidavit, dated October 9, 1993,[6] of petitioner's vice-president and general manager, Carlos A. Buenafe, claiming that in a meeting in July 1989 at the Manila Peninsula Hotel private respondent's counsel, Atty. Manuel N. Camacho, had agreed to settle private respondent's claim for P100,000.00 and that pursuant to the said agreement, he (Carlos Buenafe) instructed that the check be delivered to Atty. Noel Montilla for payment to Atty. Camacho and that this was evidenced by a Request for Funds dated August 7, 1989 for Atty. Manuel Camacho and Associates as settlement fee in Civil Case No. 39720,[7] check voucher CVK No. 19229 dated August 10, 1989, for P100,000.00, payable to Atty. Manuel Camacho and Associates,[8] Prudential Bank check No. 108562, dated August 10, 1989, in the amount of P100,000.00 in favor of Atty. Manuel Camacho,[9] and a receipt for the same.[10] The Court of Appeals simply noted the reply in view of its resolution denying petitioner's motion for reconsideration.

Hence, this petition for certiorari. Petitioner alleges that the Court of Appeals committed grave abuse of discretion, hastily concluding that the "Satisfaction of Judgment" was spurious without taking into consideration evidence showing a "scandalous conspiracy hatched by the parties' former counsel — Atty. Noel Montilla for Delsan and Atty. Manuel Camacho for private respondent Am Home."

In its comment, private respondent urges that the petition for certiorari should be dismissed outright, because what petitioner should have filed should be a petition for review under Rule 45 and that, in any case, certiorari does not lie since there was no grave abuse of its discretion by the Court of Appeals. Private respondent also charges petitioner with forum-shopping for bringing the instant petition for certiorari after losing a similar action it had filed in the Court of Appeals.

We shall first dispose of private respondent's contention that the petition in this case should be dismissed outright.

First. Considering that the decision of the Court of Appeals is a final disposition of the matter before it, private respondent's contention that the appropriate remedy of petitioner is to file a petition for review on certiorari is well-taken. However, in accordance with the liberal spirit pervading the Rules of Court and in the interest of justice, we have decided to treat the present petition for certiorari as having been filed under Rule 45, especially considering that it was filed within the reglementary period for the same. Petitioner's counsel received the Court of Appeals resolution denying its motion for reconsideration on October 26, 1993 and filed this petition on November 8, 1993, which is within the 15-day reglementary period for filing a petition for review on certiorari. It cannot therefore be claimed that this petition is being used as a substitute for appeal after that remedy has been lost through the fault of petitioner. Moreover, stripped of allegations of "grave abuse of discretion," the petition actually avers errors of judgment rather than of jurisdiction, which are the subject of a petition for review.

Second. It is also contended that, in filing this petition, petitioner is engaging in forum-shopping, because the case in the Court of Appeals (CA-G.R. SP No. 31256), in which petitioner lost, is also a petition for certiorari questioning the same order of the trial court. However, considering our decision to consider the present petition as a petition for review, which is a form of appeal, this ground for seeking the dismissal of the petition becomes untenable.

We go now to the merits of the petition. The question is whether the trial court properly ordered execution of its decision. Petitioner claims it should have been given the chance to prove its claim that it had already paid the judgment against it.

This contention has no merit. In the first place, as the RTC said, petitioner never asked to be allowed to present evidence regarding its claim. In the second place, petitioner never showed the trial court anything to assure the court that its claim was meritorious and not simply intended to prevent what otherwise had become a ministerial function of the trial court, namely, to order execution. For, indeed, besides the xerox copies of documents attached

to its reply filed in the Court of Appeals, petitioner has not shown — not even here in this Court — what other documents it has which might prove that it has paid the amount of the judgment. On the other hand, in none of the documents (request for funds, check voucher, check, and acknowledgment receipt), which petitioner has submitted to show payment, does the name of private respondent appear as payee. To the contrary, the documents purport to have been accomplished to pay for the "settlement fees" of Atty. Camacho. The fact that Atty. Camacho was private respondent's counsel is the only circumstance linking private respondent, but then the amount of P100,000.00 purports to be not in payment of private respondent's claim but Atty. Camacho's fees.

It is insisted that in 1989 the parties agreed to settle their dispute for P100,000.00, before the rendition of the decision in Civil Case No. 39720. If that is indeed the case, how come the document allegedly evidencing it is entitled "Satisfaction of Judgment"? On the other hand, if the amount was due under a compromise agreement, why did it state that it was to pay for "the entire amount as adjudged therein against [petitioner]"? Moreover, it is improbable that private respondent would agree to a compromise when the judgment in its favor is in the amount of P1.1 million. The amount allegedly paid by petitioner, P100,000.00, is just a tenth of the P1,180,115.77 award to private respondent and only half of the attorney's fees it is entitled to collect under the judgment.

In sum, petitioner failed to show enough to convince the trial court that it was serious so as to justify the court in putting off performance of a ministerial duty it was being pressed by private respondent to do. The opinion of the court of Justice Lourdes Tayao-Jagueros is a well-reasoned exposition which we could just have adopted by reference.

WHEREFORE, the decision of the Court of Appeals is AFFIRMED.

Let this case be referred to the Bar Confidant for investigation and possible administrative disciplinary action against Attorneys Noel L. Montilla, Manuel N. Camacho, and Patricia Angeles R. Cataquiz.

SO ORDERED.

Regalado, (Chairman), Romero, Puno, and Torres, Jr., JJ., concur.

[1] Per Judge Mariano M. Umali. Petition, Annex D, Rollo, pp. 29-41.

[2] Petition, Annex C, id., p. 28.

[3] Id., pp. 48-49.

[4] (Sixth Division) per Justice Lourdes M. Tayao-Jagueros and concurred in by Justices Nathanael P. De Pano, Jr. and Asaali S. Isnani, Rollo, pp. 21-25.

[5] CA Decision, pp. 2-4, id., pp. 22-24. (Emphasis added)

[6] CA Rollo, pp. 87-90; Petition, Annex N, Rollo, pp. 74-77.

[7] CA Rollo, p. 91; Petition, Annex O, id., p. 78.

[8] CA Rollo, p. 92; Petition, Annex P, id., p. 79.

[9] CA Rollo, p. 93; Petition, Annex Q, id., p. 80.

[10] CA Rollo, p. 94; Petition, Annex R, id., p. 81.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.